

**Kentucky Finance and Administration Cabinet
Department of Revenue
Mineral Resources Valuation Branch
501 High Street
Frankfort, Kentucky 40620
502-564-8334
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**Filing of Oil and Gas Data
By Electronic Media**

Over the years, The Kentucky Department of Revenue has developed guidelines for the electronic filing of gas and oil property tax information. The use of electronic media facilitates both the ease of filing and the accuracy of the data entry of the information provided. While electronic filing is strongly encouraged by the Kentucky Department of Revenue, certain requirements must be met in order to import the filing into the gas and oil property tax databases. The data formats and constraints are outlined in this document.

The submission must be in comma-delimited format or in a form readable by Microsoft Excel and must adhere to the data structure outlined in Appendix A. The submission must be in spreadsheet format. Each field listed on the following pages must be a separate column in the spreadsheet. A formatted word processor style (printed text style) report is not useable and will not be accepted.

After the electronic file is imported into the Department of Revenue system, the data is subjected to several types of data manipulation and normalization. Various examples of these manipulations are shown in Appendix C. These examples should be reviewed prior to submission of your electronic filing.

Data may be submitted on CD-ROM, 3.5" floppy disk or by e-mail only. Due to limitations on e-mail size, some submissions may have to be compressed or submitted in multiple files. The size limit is 2-2.5 MB. A 6.8MB Excel file can be compressed to approximately 1.1MB and e-mailed without any problem. The current file compression software being used is WinZip.

In instances where the following guidelines are not followed, please include a hard copy or .TXT file with your electronic media explaining the fields, data type, and field lengths for each file submitted.

In instances where these guidelines cannot be followed, contact the Kentucky Department of Revenue (502-564-8334) prior to any electronic filing to discuss possible alternatives.

APPENDIX A

DEPARTMENT REVENUE MINERAL RESOURCES VALUATION BRANCH OIL & GAS DATABASE STRUCTURE

<u>Field Name</u>	<u>Description</u>	<u>Comments</u>
NAME1	Character (35)	Mandatory (See Appendix B)
NAME2	Character (35)	Optional (See Appendix B)
ADDRESS	Character (35)	Mandatory (See Appendix B)
CITY	Character (25)	Mandatory (See Appendix B)
ST	Character (2)	Mandatory (See Appendix B)
ZIP	Character (10)	Mandatory (See Appendix B)
INTID	Character (11)	Mandatory (See Appendix B)
****(Interest Owner's FEIN or SSN. Must be properly hyphenated or otherwise identified by type)		
INT	Number (10, 8)	Mandatory (See Appendix B)
INTYPE	Character (1)	Mandatory (See Appendix B)
LNUM	Character (10)	Mandatory (See Appendix B)
LNAME	Character (20)	Mandatory (See Appendix B)
NI or GI	Number (14, 2)	Mandatory (See Appendix B)
****(Only one required but must be identified as Net or Gross Income)		
FILER (Filer's Federal Id Number)	Character (11)	Mandatory (See Appendix B)
COUNTY	Character (15)	Mandatory
WELLS (Number of Wells)	Number (3)	Optional *
PRODYR	Character (4)	Optional *
****(Year of First Production of the well. <u>Not filing year.</u> Required for first and second year allowance credits)		
ALLOW	Character (1)	Optional *
****(W for Waterflood if applicable)		
PURCH (Purchaser gas only)	Character (25)	Mandatory *
OPER (Operator oil only)	Character (25)	Mandatory *
GROSS PRODUCTION	Number (11, 2)	Mandatory *
****(Identify as MCF or Barrels)		

Note: Field lengths may not be exceeded in the tax databases. The Department of Revenue strongly urges all filers to adhere to these field lengths. Any field larger than those defined in this document will be truncated.

APPENDIX B

PROCEDURES FOR MANDATORY FIELDS:

All fields – No punctuation or symbols in any fields. All names, words, etc should be separated by one space only.

Taxpayer Information fields:

1. NAME1 (35 character field)

This field contains the name(s) of the **owner of the lease**. The bank, the executor or the trustees, etc are not the owners of the lease. These are name2 entities. Do not reverse the use of the NAME1 and NAME2 fields.

A. Individuals, Heirs, Estates (all last names first)

Example:

- a. Taxpayer John Q
- b. Taxpayer John Q Sr (Jr, II, III, et al etc.)
- c. Taxpayer John Q Est
- d. Taxpayer John Q Hrs

B. Companies or Corporations

Example:

- a. John Q Taxpayer Corp
- b. John Q Taxpayer Co Inc

2. NAME2 (35 character field)

Used for “in care of” or “attention” classifications. These classifications must be first name first as illustrated below. This field must not be used for the owner's name. Can be used for address field if necessary.

Example 1:

- a. Name1: Taxpayer John Q
- b. Name2: C/O John Q Taxpayer Sr

Example2:

- a. Name1: Taxpayer John Q
- b. Name2: Attn: Tax Department
- c. Name2: C/O John Doe POA

APPENDIX B Continued

3. ADDRESS (35 character field)

All addresses should follow guidelines as determined by the United States Post Service. When no address, an incorrect address or an undeliverable address is supplied, the tax bill will be *SUSPENDED* back to the filer.

4. CITY (25 character field)

Must contain city in which taxpayer resides. A city name without a proper address is not acceptable and will be **SUSPENDED**.

5. ST (2 character field)

Must use two character abbreviation for state in which taxpayer resides.

6. ZIP (10 character field)

May be Zip or Zip+4 formats. Must be character format to allow for dash in zip code (i.e. 40620-0592). Proper hyphenation of Zip4 zip codes is required.

Example of Complete Address:

NAME1: Taxpayer John	or	John Doe Corp
NAME2: Attn: John Doe POA	or	
ADDRESS: 4179 Any St SW	or	4157 Still Water Dr.
CITY: Anytown	or	Your Town
ST: KY		KY
ZIP: 40400	or	40620-0592

7. INTID (10 character field)

Owner's social security or Federal Employee Identification Number is required. This field must include proper hyphenation or additional indicator field that clearly differentiates the two ID types.

8. INT (Owners Interest – 10 space numeric field with 8 decimals)

Owner's interest should total 100% per lease or well. When interest on a lease does not total 100%, the difference will be **SUSPENDED** to the filer for tax purposes.

APPENDIX B Continued

9. INTYPE (Owners Interest Type – 1 length character field)

Interest type must be identified as follow:

- A = 100% single ownership (Working plus Royalty)
- R = Royalty
- O = Override
- W = Working (Standard working interest can not exceed 87.5%)

Do not include FLATS as an ownership type. These types of ownerships do not have a true economic interest in the well and therefore have no property tax liability.

Well or Lease Information Fields:

1. LNUM (Lease or Well number – 10 character field)

Lease number or Lease name must be provided, preferably both.

2. LNAME (Lease or Well name – 20 character field)

Lease name or Lease number must be provided, preferably both.

3. NI (Net income – numeric field 14 spaces with 2 decimals) GI (Gross income – numeric field 14 spaces with 2 decimals)

Either net income **or** gross income **for the lease** must be supplied and **clearly identified**. Net Income is wellhead less Severance Tax only. No other deductions are allowable. The filer must explicitly identify whether income supplied is gross or net. If the formatting of the income fields does not display the actual decimal placement, explicit file format information must be provided with the filing. Recalculation of assessments due to incorrect interpretation of income type or format is extremely time consuming for the Cabinet and extremely confusing for the owners receiving incorrect notices. **Do not file net income for individual owners.**

4. COUNTY (15 characters. County where well is physically located)

5. FILER (Filer's Federal Identification Number or Social Security Number– 11 space character field)

Must be properly formatted/hyphenated.

APPENDIX C

DATA MANIPULATION EXAMPLES

Filed As:

NAME1: John Q Taxpayer
ADDRESS: 141 Fifth Street
CITY, ST, ZIP: Frankfort, KY 40620

Changed To:

Taxpayer John Q
141 5th St
Frankfort KY 40620

In the above example, the name1 field was corrected to show last name first, "Street" was abbreviated and the city, state and zip code were separated into individual fields.

Filed As:

NAME1: Taxpayer, John Q
NAME2: Trust Dated 4-11-01 Decd 407-98-0000
NAME3: John Q Taxpayer Jr Power-of-Attorney
ADDRESS1: 121 West Vine Apartment 8KA
ADDRESS2: Frankfort KY 40620

Changed To:

Taxpayer John Q
C/O John Q Taxpayer Jr POA
121 W Vine Apt 8KA
Frankfort KY 40620

In the above example, the comma was removed from NAME1. The NAME2 field showing account information, which should never be printed on an envelope for mailing purposes, was completely removed. Power-of-Attorney was abbreviated to POA. West and Apartment were abbreviated as "W" and "Apt". Both abbreviations are accepted standards of the United States Postal Service. Appendix D contains additional examples of current abbreviation guidelines.

Normalization must be done in order to insure accurate and efficient grouping of all assessments belonging to each interest owner. For example:

Taxpayer, John Q
P O Box 421
Frankfort, KY 40601

is different from

Taxpayer John Q
PO Box 421
Frankfort KY 40601

The comma following the last name would result in two notices or tax bills being mailed instead of one. The difference between P O BOX and PO BOX would also result in multiple notices or tax bills being sent. When we group the assessments by name and address fields they must be identical (normalized) in each field. More examples are shown below.

Taxpayer John Q
(2 spaces between names above)
John Q Taxpayer
Taxpayer John Q
P. O. Box 421
Frankfort KY 40601-0421

is different from
is different from
is different from
is different from
is different from

Taxpayer John Q
(single space above)
Taxpayer John Q
Taxpayer John Q
PO Box 421
Frankfort KY 40601

APPENDIX D

General abbreviation guidelines currently in use:

1ST, 2ND, 5TH etc first, second, etc, do not spell out numbered street names

ADM administrator

AGT agent

AIF attorney in fact

AND spell the word, do not use "&", Jones James E AND Martha S

APT apartment, e.g. APT 35, do not use APT #35 or APT No 35

ATTN attention

AVE avenue

BK bank, Any City BK, spell out when used in street names

BLVD Boulevard

C/O in care of, do not use %

CO company

CORP corporation

DEV development

EST estate, Jones James E EST

EXEC executor or executrix

FT fort

GDN guardian

HC no Space between H and C

HRS heirs, Jones James E HRS

HWY highway

JR, SR or II, III, etc. Jones James E JR

KY Kentucky

LN Lane

N 5TH St, North Fifth Street, do not spell out street numbers

NW Northwest, same for N, S, W, E, SW etc

OR Jones James E OR Martha S, do not use and/or

PARK spell out

PKY Parkway

PO BOX not P.O. BOX, no space between the "P" and "O".

POA Power of Attorney

PTNRS partners and partnership

RT route, not RR, RT 2 or Star RT

ST street

STE suite

TR trust, Jones James E TR

TT trustee, Jones James E TT

****Any fields which do not conform to the field length guidelines will be abbreviate or otherwise truncated as necessary.

- DO NOT USE MR, MRS, WIDOW, WIFE, ETC
- DO NOT USE PUNCTUATION IN ANYTHING
- DO NOT USE # OR "NO" FOR ADDRESSES, LEASE NUMBERS OR OTHER PARCEL IDS